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Submission by the Australian Government
to the United States House of Representatives Committee on Agriculture
Hearing on a National Animal Identification Program

Introduction

The Australian Government would like to thank the Committee for the opportunity to share information on our experiences with implementing and improving Australia's National Livestock Identification System (NLIS). It is an honor to be able to provide information to the Committee on our system which might be helpful for your deliberations. The system represents a joint commitment and working partnership between the Australian Government at Federal, State and Territory levels and Australian industry.

A number of important factors have influenced the development of Australia's cattle identification system:-

- Australia's reliance on export markets (two thirds of all agricultural products are exported, including 70 per cent of beef);
- The emergence of a realization within industry and shared by government that an animal ID system would be useful in sustaining customer satisfaction with the integrity of our product;
- A strong industry and government partnership, particularly evident in the cattle and beef sectors;
- A mandatory property identification system for cattle since 1967; and
- Agreement among all parties that the system be as simple, cost efficient and practical as possible.

Why Australia invested in an animal identification system

The system originated from the early 1960s when Australia undertook an ambitious US$600 million program to eradicate Bovine Tuberculosis and Brucellosis. In response to US interest, a mandatory cattle identification system based on using tail tags was developed in 1967 that provided the ability to trace all cattle back to their last property of residence. An 8 digit premise ID numbering system was used to identify herds in relation to a parcel of land – these were referred to as Property Identification Codes (PIC) and provided the ability to trace all cattle back to their last property of residence.

In the mid-1990s, after the successful eradication of brucellosis and tuberculosis, livestock industries, State and Federal Governments agreed that there was a need to convert the established visual-read-only PIC system to an electronic whole-of-life individual cattle identification system on the grounds that it was only a matter of time before such a system would be needed to ensure biosecurity, food safety and market access. This system was to become known as the National Livestock Identification System (NLIS). In 1998, once again in response to a trading partner, individual identification was made compulsory for producers supplying the European Union (EU) market to provide meat from Hormone Growth Promotant-free cattle. The NLIS has been vital in Australia maintaining access to the high value EU market and has contributed to maintaining a high level of consumer confidence for Australian beef in its other major markets such as Japan and Korea.

Developing and implementing the NLIS has been an important initiative for Australian Federal and State Governments and Australian Industry. NLIS provides a critical tool for managing and preventing the spread

of animal disease should an outbreak occur. We have not so far had to rely on the NLIS in this way, but it gives the Australian Government, industry and consumers of our beef a significant level of assurance that we would be able to respond rapidly, efficiently and effectively. Our experience has shown that NLIS very directly enhances customer and consumer confidence in Australia's beef products.

As of 1 July this year, the system became mandatory in all States and Territories. Governments at all levels have fully supported this program in partnership with industry.

Government Responsibilities

Like the United States, Australia has a federal system of government and this has required us to build a consensus on the division of responsibility and oversight of NLIS. The State and Territory governments have the legal jurisdiction over the movement and health of livestock. The State governments' role has been to develop and implement legislation that underpins the program and to establish a government/industry management committee. This committee coordinates extension and producer education programs such as demonstration sites, an assistance hotline and industry seminars that assist producers with on-farm use of technology. The State governments have established a registry of Property Identification Codes (PICs), are responsible for ordering of identification devices and have assisted with establishing the reading infrastructure and more recently auditing device performance and monitoring compliance with legislative requirements.

State governments can issue fines for dispatching cattle without NLIS identification. However, to date, they have only issued Infringement Notices to producers who breach NLIS legislation.

The Federal Government is responsible for market access, ensuring compliance with international standards and the adoption of a nationally consistent approach. Audits of the system are undertaken through SAFEMEAT, an industry and government partnership. SAFEMEAT also monitors the system to ensure the national performance standards for trace back are met (including the approval of devices).

NLIS meets the needs of government and industry

In Australia, there are two principal drivers behind the implementation and adoption of individual animal identification. The first is the mandatory information required by government and needed to establish a rapid trace forward and trace back mechanism for disease surveillance, control, eradication and management purposes. The second driver is the provision of an on-farm management tool that allows producers, for the first time, to correlate live animal data and carcase performance. This is an invaluable tool to help improve genetics and nutrition on farm. In the NLIS, this information is proprietary to producers.

Good traceability systems may not be able to prevent a disease incident but, like any good insurance policy, will contain the spread of an outbreak, and improve the response time for recovery with the objective of accelerating the timeframe for the return to normal markets. In recent years we have used NLIS to help manage a number of residue incidents that have required rapid trace forward. As a consequence of the NLIS we have managed to limit product recall and losses. Australia's favourable animal health and public health status has not been damaged by such incidents.

Key elements of the System

The system was implemented by the relevant government and industry representatives first agreeing to a set of **National Performance Standards** and **Business Rules**. The development of national performance standards were critical to a uniform and national roll out of the NLIS. Standards included a requirement to be

able to trace back within 48 hours an animal to its place of birth, the adoption of a 99 per cent retention and read rate, and devices that can be read at a maximum distance of 1.2 metres. The technology selected had to meet these specific performance standards. At the time, only one technology met those standards under Australia's variable and in many cases, harsh field conditions – the machine-readable half duplex Radio Frequency Identification Devices (RFID), which was adopted as the technology for implementing the NLIS.

Business rules were developed to operate at the farm, saleyard and slaughterhouse levels. For example, all animals must be tagged prior to leaving the property of birth, and all stock movements must be read at points of transfer including saleyards and slaughterhouses.

There are significant costs that are shared by both industry and government in adopting NLIS. The cost of the tags is met by farmers, and averages between US$1.35 – US$2.65 per tag. Therefore to tag the national herd will cost approximately US$56 million and the annual tagging costs thereafter are approximately US$20 million. To date, the federal and state governments have committed nearly US$30 million over the last decade and the industry through both check-off and capital investment in excess of US$30 million. To put these costs into perspective, Australian beef exports are valued at approximately US$70 million per week.

Currently, the database, which is managed by industry (Meat and Livestock Australia), holds in excess of 23 million tags; and the full life history of any one tag can be traced in a matter of seconds. Federal and State governments have access to the database for relevant fields of information necessary to manage a disease outbreak or residue incident. These fields include date of sale or slaughter, PIC number, RFID number, and National Vendor Declaration (NVD) serial number. Private access to specific fields of information is only available to registered users such as producers, sale yard operators and slaughterhouse owners. The rules regarding access to data is outlined through business rules in the "Terms of Use for the National Livestock Identification System Database" (this document is available on the NLIS website – www.nlis.com.au).

The data collected through the NLIS is protected from Freedom of Information (FOI) requests by other interested parties primarily because the information is held by MLA (which is a private company). The privacy and "commercial-in-confidence" provisions of the Australia FOI Act offer additional protection because the legislation provides exemptions for this type of data. There have been no known FOI requests for this information.

NLIS operates in conjunction with other relevant legislation with regard to product liability. The question is often raised about what point in the supply chain does the liability transfer from producer to processor and on up the supply chain. In Australia, a National Vendor Declaration (NVD) exists in all cattle transactions. This declaration is a signed statement from the vendor declaring the animal and public health status of the cattle consignment over the previous 60 days.

Conclusion

Arrangements in Australia for identifying and tracing cattle continue to evolve in response to consumer and market demands. The move to a whole-of-life traceability system, based on permanent electronic identification devices and a central database, is the cornerstone of Australia's new approach and will improve the rapid and accurate trace back and trace forward of cattle. The Australian Government and industry sees this as a critical tool to help manage and minimise the impact of a disease outbreak or food safety incident, and to enhance Australia's position in the international market place.

The NLIS has been implemented as a practical, government and industry partnership that has delivered business management benefits to the cattle and beef industry along the whole chain from 'gate to plate'.

Australia is now in the process of expanding this system to other livestock industries. We are moving to property identification for sheep and already have a lot or batch system for pigs that utilizes ear tattoos or ear tags.

The Australian Government thanks the Committee for this opportunity to share with you the results of our experience to date implementing a national animal identification system. We remain ready to continue to provide you with information and assistance where useful to US authorities as they implement their animal ID system.

Further Information
Additional information is available at www.nlis.com.au and www.aahc.com.au

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